

STAT

Approved For Release 2003/08/13 : CIA-RDP84B00890R000300010001-5

Next 1 Page(s) In Document Exempt

Approved For Release 2003/08/13 : CIA-RDP84B00890R000300010001-5



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 28 1980

Executive Registry

80-1879

DD/A Registry

80-1597/1

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND
AGENCIES

FROM: John P. White *JPW*
Deputy Director

SUBJECT: Agency Implementation of the Recommendations
of the Commission on Federal Paperwork

By law OMB is required to report on actions taken by agencies to implement the Commission on Federal Paperwork recommendations. We are reexamining agency performance in light of a recent GAO report on CFP activities and our continuing belief that Commission recommendations warrant careful and thorough consideration by the agencies.

While previous OMB reports have provided an interim status summary of agency actions, they have not included any documentation of status. Future reports will detail agency action on each recommendation and will also include milestones for future action on recommendations not yet fully implemented.

Both the agency reports on actions taken thus far and the GAO findings indicate that more work lies ahead for both OMB and the agencies. During the next several weeks, OMB staff will ask your staff to assist us in documenting completed actions your agency has taken to implement the CFP recommendations. In those cases where a recommendation has been rejected, the agency must provide solid program policy grounds for the failure to comply with the Commission's recommendations.

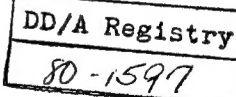
We are also identifying recommendations addressed to more than one agency that have not yet been examined. One agency will be designated to lead an interagency task group to consider and implement the recommendation in cooperation with other involved agencies. In addition, we are reevaluating recommendations that the Commission addressed to the Congress. As appropriate, we will ask agencies to develop legislative initiatives to meet the CFP's intent. We plan to write you later this summer about actions your agency must take in each of these situations.

Your agency's cooperation will be appreciated.

STAT

Approved For Release 2003/08/13 : CIA-RDP84B00890R000300010001-5

Approved For Release 2003/08/13 : CIA-RDP84B00890R000300010001-5



ODP 0-877
2 July 1980

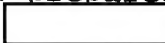
MEMORANDUM FOR: Deputy Director for Administration

FROM: Bruce T. Johnson
Director of Data Processing

SUBJECT: Background Information on "Paperwork
Reduction Act of 1980"

Don:

1. After the Tuesday staff meeting Tom White and I discussed your request for background information on the so-called "Paperwork Reduction Act of 1980," and we agreed that because he was probably in possession of more of the relevant data than ODP, he would pull together a package for you. ODP contributed to the Agency position, but Tom was the focal point for this Directorate.

2. As a preliminary response, however, here is a copy of the Act (H.R. 6410) annotated to show some late changes. Also attached are an OMB memo reflecting Senate staff proposed exemptions, an OLC point paper on the subject, a coordinated paper prepared by the Interagency Committee for ADP (on which  represents CIA), and some "Q & A" pages also from the IAC/ADP.

STAT

3. Page 11 of the Act (which has since passed the House) includes the ADP-T functions of the Director of the Office of Federal Information Policy. His other duties, many of them equally troublesome, are outlined beginning on page 7.

4. I've told Tom what I'm giving you so as to avoid unnecessary duplication.

STAT


Bruce T. Johnson

STAT

Att: a/s



II

96TH CONGRESS
2D SESSION

H. R. 6410

IN THE SENATE OF THE UNITED STATES

MARCH 26 (legislative day, JANUARY 3), 1980

Read twice and referred to the Committee on Governmental Affairs

AN ACT

To reduce paperwork and enhance the economy and efficiency of the Government and the private sector by improving Federal information policymaking, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Paperwork Reduction Act
4 of 1980".

5 SEC. 2. (a) Title 44 of the United States Code is
6 amended by striking out chapter 35 and inserting in its place
7 the following new chapter:

1 **"CHAPTER 35—COORDINATION OF FEDERAL**
2 **INFORMATION POLICY**

"Sec.

"3501. Purpose.

"3502. Definitions.

"3503. Office of Federal Information Policy.

"3504. Authority and functions of Director.

"3505. Assignment of tasks and deadlines.

"3506. Federal agency responsibilities.

"3507. Public information collection activities—submission to Director; approval and delegation.

"3508. Determination of necessity for information; hearing.

"3509. Designation of central collection agency.

"3510. Cooperation of agencies in making information available.

"3511. Establishment and operation of Federal Information Locator System.

"3512. Penalty for failure to furnish information.

"3513. Director review of agency activities; reporting; agency response.

"3514. Responsiveness to Congress.

"3515. Administrative powers.

"3516. Rules and regulations.

"3517. Consultation with other agencies and the public.

"3518. Effect on existing laws and regulations.

"3519. Access to information.

"3520. Authorization of appropriations.

3 **"§ 3501. Purpose**

4 **"It is the purpose of this chapter to ensure that—**

5 **"(1) Federal information policies and practices**
6 **shall be coordinated and integrated with each other**
7 **and shall be uniform, as far as practicable, throughout**
8 **the Federal Government;**

9 **"(2) information needed by agencies shall be ob-**
10 **tained with a minimum burden upon persons and enti-**
11 **ties required to furnish the information, and obtained,**
12 **used, and disseminated at a minimum cost to the**
13 **Government;**

14 **"(3) information collected and tabulated by an**
15 **agency shall, as far as practicable, be maintained in a**

1 manner to maximize the usefulness of the information
2 to Congress, agencies, and the public;

3 "(4) the collection, maintenance, use, and dissemi-
4 nation of personal information by agencies shall be
5 consistent with the Privacy Act of 1974 and other ap-
6 plicable laws; and

7 "(5) automatic data processing and telecommuni-
8 cations technology shall be acquired and used in a
9 manner which improves service delivery and program
10 management, increases productivity, reduces waste and
11 fraud, and, where possible, reduces the information
12 processing burden on the public and private sectors.

13 "§ 3502. Definitions

14 "As used in this chapter, the term—

15 "(1) 'agency' means any executive department,
16 military department, Government corporation, Govern-
17 ment controlled corporation, or other establishment in
18 the executive branch of the Government (including the
19 Executive Office of the President), or any independent
20 regulatory agency; but does not include the General
21 Accounting Office or the governments of the District of
22 Columbia and of the territories and possessions of the
23 United States, and their various subdivisions;

24 "(2) 'collection of information' means the obtain-
25 ing or soliciting of facts or opinions for any purpose by

* insert "other than for purposes associated with law enforcement,
litigation, or intelligence activities,"
Approved For Release 2003/08/13 : CIA-RDP84B00890R000300010001-5

1 an agency by the use of written report forms, applica-
2 tion forms, schedules, questionnaires, reporting or rec-
3 ordkeeping requirements, or other similar methods call-
4 ing for either—

5 “(A) answers to identical questions posed to,
6 or identical reporting or recordkeeping require-
7 ments imposed on, ten or more persons; or

8 “(B) answers to questions posed to agencies
9 of the United States which are to be used for gen-
10 eral statistical purposes;

11 “(3) ‘data element’ means a distinct piece of infor-
12 mation such as a name, term, number, abbreviation, or
13 symbol;

14 “(4) ‘data element dictionary’ means a system
15 containing standard and uniform definitions and cross
16 references for commonly used data elements;

17 “(5) ‘data profile’ means a synopsis of the ques-
18 tions contained in an information collection request,
19 and also such related items as the official name of the
20 request, the location of information obtained through
21 such request, a description of any compilations, analy-
22 ses, or reports derived from such information, any
23 record retention requirements associated with such re-
24 quest, the agency responsible for such request, the au-
25 thorizing statute, and other information necessary to

1 identify, access, and use the data contained in such
2 information;

3 “(6) ‘Director’ means the Director of the Office of
4 Management and Budget;

5 “(7) ‘directory of information resources’ means a
6 catalog of information collection requests, containing a
7 data profile for each request;

8 “(8) ‘independent regulatory agency’ means the
9 Board of Governors of the Federal Reserve System,
10 the Civil Aeronautics Board, the Commodity Futures
11 Trading Commission, the Consumer Product Safety
12 Commission, the Federal Communications Commission,
13 the Federal Deposit Insurance Corporation, the Fed-
14 eral Election Commission, the Federal Energy Regula-
15 tory Commission, the Federal Home Loan Bank
16 Board, the Federal Maritime Commission, the Federal
17 Trade Commission, the Interstate Commerce Commis-
18 sion, the Mine Enforcement Safety and Health Review
19 Commission, the National Labor Relations Board, the
20 Nuclear Regulatory Commission, the Occupational
21 Safety and Health Review Commission, the Postal
22 Rate Commission, and the Securities and Exchange
23 Commission, and other similar agencies designated by
24 statute as independent regulatory establishments of the
25 Federal Government;

1 “(9) ‘information collection request’ means a writ-
2 ten report form, application form, schedule, question-
3 naire, or other reporting or recordkeeping requirement
4 for the collection of information;

5 “(10) ‘information referral service’ means the
6 function that assists officials and citizens in obtaining
7 access to the Federal Information Locator System;

8 “(11) ‘person’ means an individual, partnership,
9 association, corporation, business trust, or legal repre-
10 sentative, an organized group of individuals, a State,
11 territorial, or local government or branch thereof, or a
12 political subdivision of a State, territory, or local gov-
13 ernment or a branch of a political subdivision; and

14 “(12) ‘recordkeeping requirement’ means a re-
15 quirement imposed by an agency on persons to main-
16 tain specified records.

17 **“§ 3503. Office of Federal Information Policy**

18 “(a) There is established in the Office of Management
19 and Budget an office to be known as the Office of Federal
20 Information Policy.

21 “(b) There shall be at the head of the Office an Adminis-
22 trator who shall be appointed by, and who shall report di-
23 rectly to, the Director. The Director shall delegate to the
24 Administrator the authority and responsibility to administer
25 all functions under this chapter. The Administrator shall

1 serve as principal adviser to the Director on Federal informa-
2 tion policy.

3 **"§ 3504. Authority and functions of Director**

4 "(a) The Director shall provide overall direction in the
5 development and implementation of Federal information poli-
6 cies, principles, standards, and guidelines, including review
7 and approval of information collection requests, the reduction
8 of the paperwork burden placed on the public, Federal statis-
9 tical activities, records management activities, privacy of rec-
10 ords pertaining to individuals, interagency sharing of infor-
11 mation, and acquisition and use of automatic data processing
12 and other technology for managing information resources.

13 "(b) The general information policy functions of the Di-
14 rector shall include—

15 "(1) developing and establishing uniform informa-
16 tion resources management policies and overseeing the
17 development of information management principles,
18 standards, and guidelines and promoting their use;

19 "(2) initiating and reviewing proposals for changes
20 in legislation, regulations, and agency procedures to
21 improve information practices, and informing the Presi-
22 dent and the Congress on the progress made in effect-
23 ing such changes;

24 "(3) coordinating, through the review of budget
25 proposals and otherwise, agency information practices;

1 “(4) promoting, through the use of the Federal
2 Information Locator System and the review of budget
3 proposals, and otherwise, greater agency sharing of in-
4 formation (consistent with applicable laws) to enhance
5 the usefulness of the information and limit the report-
6 ing burden on the public;

7 “(5) evaluating the agencies’ information practices
8 to determine their adequacy, efficiency, and compliance
9 with policies, principles, standards, and guidelines pro-
10 mulgated by the Director; and

11 “(6) overseeing the planning of, and the conduct
12 of research with respect to, Federal information collec-
13 tion, processing, storage, transmission, and use.

14 “(c) The information collection request clearance and
15 other paperwork functions of the Director shall include—

16 “(1) reviewing and approving information collec-
17 tion requests proposed by agencies;

18 “(2) determining whether the collection of infor-
19 mation by an agency is necessary for the proper per-
20 formance of the functions of the agency and has practi-
21 cal utility for the agency;

22 “(3) designating, in accordance with section 3509,
23 a collection agency to obtain information for two or
24 more agencies;

1 “(4) setting goals for reductions of the numbers
2 and burdens of Federal information collection requests;

3 “(5) overseeing action on the recommendations of
4 the Commission on Federal Paperwork; and

5 “(6) designing and operating the Federal Informa-
6 tion Locator System in accordance with section 3511.

7 “(d) The statistical policy and coordination functions of
8 the Director shall include—

9 “(1) developing, in conjunction with the agencies,
10 long range plans for the improved performance of Fed-
11 eral statistical activities and programs;

12 “(2) coordinating, through the review of budget
13 proposals and otherwise, the functions of the Govern-
14 ment with respect to gathering, interpreting, and dis-
15 seminating statistics and statistical information;

16 “(3) overseeing the establishment of Government-
17 wide policies, principles, standards, and guidelines cov-
18 ering statistical collection procedures and methods, sta-
19 tistical data classifications, and statistical information
20 presentation and dissemination; and

21 “(4) evaluating statistical program performance
22 and agencies' compliance with Government-wide poli-
23 cies, principles, standards, and guidelines.

24 “(e) The records management functions of the Director
25 shall include—

1 “(1) providing advice and assistance to the Ad
2 ministrators of General Services to promote coordina
3 tion in the administration of chapters 29, 31, and 33 of
4 this title with the information policies, principles,
5 standards, and guidelines established under this
6 chapter;

7 “(2) reviewing compliance by Federal agencies
8 with the requirements of chapters 29, 31, and 33 of
9 this title and with regulations promulgated by the
10 Administrator of General Services thereunder; and

11 “(3) coordinating records management policies
12 and programs with related information programs such
13 as information collection, statistics, automatic data
14 processing and telecommunications, and similar
15 activities.

16 “(f) The privacy functions of the Director shall
17 include—

18 “(1) overseeing the development of and promul-
19 gating policies, principles, standards, and guidelines on
20 information disclosure and confidentiality, and on safe-
21 guarding the security of information collected or main-
22 tained by agencies, or in conjunction with Federal
23 programs;

1 “(2) providing agencies with advice and guidance
2 about information security, restriction, exchange, and
3 disclosure; and

4 “(3) monitoring compliance with the Privacy Act
5 of 1974 (5 U.S.C. 552a) and related information man-
6 agement laws.

7 “(g) The automatic data processing and telecommunica-
8 tions functions of the Director shall include—

9 “(1) establishing policies, principles, standards,
10 and guidelines for automatic data processing and tele-
11 communications functions and activities, and overseeing
12 the establishment of standards under section 111(f) of
13 the Federal Property and Administrative Services Act
14 of 1949 (40 U.S.C. 759(f));

15 “(2) monitoring the effectiveness of, and compli-
16 ance with, directives issued pursuant to sections 110
17 and 111 of the Federal Property and Administrative
18 Services Act of 1949 (40 U.S.C. 757, 759) and re-
19 viewing proposed determinations under section 111(g)
20 of such Act;

21 “(3) providing, in ^{Co NSULTATION} ~~coordination~~ with the Adminis-
22 trator of General Services, advice and guidance on the
23 acquisition and use of automatic data processing and
24 telecommunications equipment, ~~and coordinating,~~
25 through the review of budget proposals and otherwise,

(4) Review agency proposals for acquisition and use of such equipment. GSA upon the request of the director will provide agency data pertaining to acquisition of such equipment.
~~agency proposals for acquisition and use of such equip-~~

~~ment; and~~

~~"(4)~~ promoting the use of automatic data processing and telecommunications equipment to improve the effectiveness of the use and dissemination of data in the operation of Federal programs; and

~~"(5)~~ initiating and reviewing proposals for changes in legislation, regulations, and agency ^{POLICY} ~~procedures~~ to improve automatic data processing and telecommunications practices, and informing the President and the Congress of the progress made in effecting such changes.

"(h) Other functions of the Director shall include ensuring that, in developing rules and regulations, agencies—

"(1) utilize efficient methods to collect, use, and disseminate necessary information;

"(2) provide an early and substantial opportunity for the public to comment on proposed means of collecting information related to such rules and regulations; and

"(3) make assessments of the consequences of alternative methods of implementing the statutory goals of such rules and regulations (including alternative methods of collecting information).

1 “(i) In any review of regulations by the Director author-
2 ized by law, the Director shall consider the relationship of
3 such regulations to the policies, principles, standards, and
4 guidelines established under this chapter.

5 **“§ 3505. Assignment of tasks and deadlines**

6 “In carrying out the authority and functions assigned by
7 this chapter, the Director shall—

8 “(1) within one year after the date of enactment
9 of the Paperwork Reduction Act of 1980—

10 “(A) establish standards and requirements for
11 agency audits of all major information systems;
12 ~~assign the responsibility for conducting such~~
13 ~~audits, and assign the responsibility for conducting~~
14 ~~Government-wide or multiagency audits;~~

15 “(B) establish the Federal Information Loca-
16 tor System;

17 “(C) identify areas of duplication in informa-
18 tion collection requests and develop a schedule
19 and methods for eliminating the duplication; and

20 “(D) develop a proposal to augment the Fed-
21 eral Information Locator System to include data
22 profiles of major information holdings of agencies
23 (used in the conduct of their operations) which are
24 not otherwise required by this chapter to be in-
25 cluded in the System; and

1 “(2) within two years after such date of
2 enactment—

3 “(A) establish a schedule and a management
4 control system (including policies, principles,
5 standards, and guidelines) to ensure that practices
6 and programs of the various information handling
7 disciplines, such as records management, are ap-
8 propriately integrated with each other, and with
9 the broad information policies established by this
10 chapter;

11 “(B) identify initiatives which may achieve
12 substantial productivity improvement in Federal
13 operations using information processing
14 technology;

15 “(C) develop a program to (i) enforce Federal
16 information processing standards, particularly lan-
17 guage standards, at all Federal installations; and
18 (ii) revitalize the standards development program,
19 separating it from peripheral technical assistance
20 functions and directing it to the most productive
21 areas;

22 “(D) complete action on recommendations of
23 the Commission on Federal Paperwork, including
24 development of legislation necessary to implement
25 such recommendations;

15

1

“(E) develop, ^{*based on an Agency's plans*} ~~in consultation with the Ad-~~

2

~~ministrator of General Services~~, a five-year plan

3

for meeting the automatic data processing and

4

telecommunications needs of the Federal Govern-

5

ment in accordance with the requirements of sec-

6

tion 111 of the Federal Property and Administra-

7

tive Services Act of 1949 (40 U.S.C. 759) and

8

the purposes of the Paperwork Reduction Act of

9

1980; and

10

“(F) submit to the President and the Con-

11

gress legislative proposals to remove inconsisten-

12

cies in laws and practices involving privacy, confi-

13

dentiality, and disclosure of information.

14

“§ 3506. Federal agency responsibilities

15

“(a) Each agency shall be responsible for carrying out

16

its information management activities in an efficient, effec-

17

tive, and economical manner, and for complying with the in-

18

formation policies, principles, standards, and guidelines pre-

19

scribed by the Director.

20

“(b) The head of each agency shall designate, within

21

three months of the date of enactment of the Paperwork Re-

22

duction Act of 1980, a senior official who reports directly to

23

such agency head to carry out the responsibilities of the

24

agency under this chapter.

25

“(c) Each agency shall—

1 “(1) systematically inventory its major information
2 systems and periodically review its information man-
3 agement activities, including planning, budgeting, orga-
4 nizing, directing, ^{acquisition, procurement,} training, promoting, controlling, and
5 other managerial activities involving the collection,
6 use, and dissemination of information;

7 “(2) take steps to ensure that its information sys-
8 tems do not overlap each other or duplicate those of
9 other agencies;

10 “(3) develop procedures for assessing the paper-
11 work and reporting burden of its information collection
12 activities and of proposed legislation and regulations
13 related to such agency; and

14 “(4) assign to the official designated under subsec-
15 tion (b) the responsibility for the conduct of and ac-
16 countability for any acquisitions made pursuant to a
17 delegation of authority under section 111 of the Fed-
18 eral Property and Administrative Services Act of 1949
19 (40 U.S.C. 759).

20 “(d) The head of each agency shall establish such proce-
21 dures as he may deem necessary to ensure the compliance of
22 his agency with the requirements of the Federal Information
23 Locator System, including necessary screening and compli-
24 ance activities.

1 "§ 3507. Public information collection activities—submis-
2 sion to Director; approval and delegation

3 "(a) An agency shall not conduct or sponsor the collec-
4 tion of information unless, in advance of adoption or revision
5 of the request for collection of such information—

6 "(1) the agency has taken appropriate steps, in-
7 cluding consultation with the Director (A) to eliminate
8 information collections which seek to obtain informa-
9 tion available from another source within the Federal
10 Government (through the use of the Federal Informa-
11 tion Locator System and other means), (B) to reduce
12 the compliance burden on respondents, and (C) to for-
13 mulate plans for tabulating the information in a manner
14 which will enhance its usefulness to other agencies and
15 to the public;

16 "(2) the agency has submitted to the Director the
17 proposed information collection request, copies of perti-
18 nent regulations and of other related materials as the
19 Director may specify, and an explanation of measures
20 taken to satisfy paragraph (1) of this section, and has
21 caused a notice of such submission to be published in
22 the Federal Register; and

23 "(3) the Director has approved the proposed infor-
24 mation collection request, or sufficient time has elapsed
25 as provided under subsection (c).

1 “(b) Any disapproval, in whole or in part, under subsec-
2 tion (a) of a proposed information collection request of an
3 independent regulatory agency may be voided if the agency,
4 by a majority vote of its members, overrides the Director’s
5 decision.

6 “(c) The Director shall, within sixty days of receipt of a
7 proposed information collection request, notify the agency in-
8 volved of his decision to approve or disapprove the request. If
9 the Director determines that a request submitted for review
10 cannot be reviewed within sixty days, he may, after notice to
11 the agency involved, extend the review period for an addi-
12 tional thirty days. If the Director does not notify the agency
13 of an extension, denial, or approval within sixty days (or, if
14 he has extended the review period for an additional thirty
15 days and does not notify the agency of a denial or approval
16 within the time of the extension), his approval may be in-
17 ferred and the agency may collect the information for not
18 more than one year.

19 “(d) No approval of an information collection request
20 shall be valid for a period of more than three years.

21 “(e) If the Director finds that a senior official designated
22 pursuant to section 3506(b) has independence from any pro-
23 gram responsibility and has sufficient resources to evaluate
24 whether proposed information collection requests should be
25 approved, the Director may, by rule subject to the notice and

1 comment provisions of chapter 5 of title 5, delegate to such
2 official his power to approve proposed requests in specific
3 program areas, for specific purposes, or for all agency pur-
4 poses. Such delegation shall not preclude the Director from
5 reviewing individual information collection requests if the Di-
6 rector determines that circumstances warrant such a review.
7 The Director shall retain authority to revoke such delega-
8 tions of power, both in general and with regard to any spe-
9 cific matter. In acting for the Director, any official to whom
10 approval powers have been delegated shall comply fully with
11 the rules and regulations promulgated by the Director.

12 “(f) No agency shall be exempt from the requirements of
13 this chapter.

14 **“§ 3508. Determination of necessity for information;**
15 **hearing**

16 “Before approving a proposed information collection re-
17 quest, the Director shall determine whether the collection of
18 information by an agency is necessary for the proper per-
19 formance of the functions of the agency and has practical
20 utility for the agency. Before making a determination the Di-
21 rector may give the agency and other interested persons an
22 opportunity to be heard or to submit statements in writing.
23 To the extent, if any, that the Director determines that the
24 collection of information by an agency is unnecessary, for any

1 reason, the agency may not engage in the collection of the
2 information.

3 **"§ 3509. Designation of central collection agency**

4 "The Director may designate a collection agency to
5 obtain information for two or more agencies if the Director is
6 of the opinion that the needs of such agencies for information
7 will be adequately served by a single collection agency, and
8 such sharing of data is not inconsistent with any applicable
9 law. In such cases the Director shall prescribe (with refer-
10 ence to the collection of information) the duties and functions
11 of the collection agency so designated and of the agencies for
12 which it is to act as agent (including reimbursement for
13 costs). While the designation is in effect, an agency covered
14 by it may not obtain for itself information which it is the duty
15 of the collection agency to obtain. The Director may modify
16 the designation from time to time as circumstances require.

17 **"§ 3510. Cooperation of agencies in making information**
18 **available**

19 "(a) The Director may direct an agency to make availa-
20 ble to another agency information obtained pursuant to an
21 information collection request if—

22 "(1) the disclosure is not inconsistent with any
23 applicable law;

24 "(2) it is disclosed in the form of statistical totals
25 or summaries; or

1 “(3) the person who supplied the information con-
2 sents to such disclosure.

3 “(b) If information obtained by an agency is released by
4 that agency to another agency, all the provisions of law (in-
5 cluding penalties which relate to the unlawful disclosure of
6 information) apply to the officers and employees of the
7 agency to which information is released to the same extent
8 and in the same manner as the provisions apply to the offi-
9 cers and employees of the agency which originally obtained
10 the information. The officers and employees of the agency to
11 which the information is released, in addition, shall be subject
12 to the same provisions of law, including penalties, relating to
13 the unlawful disclosure of information as if the information
14 had been collected directly by that agency.

15 **“§ 3511. Establishment and operation of Federal Informa-**
16 **tion Locator System**

17 “(a) There is hereby established in the Office of Federal
18 Information Policy a Federal Information Locator System
19 (hereinafter in this section referred to as the ‘System’) com-
20 posed of a directory of information resources, a data element
21 dictionary, and an information referral service. The System
22 shall serve as the authoritative register of all information col-
23 lection requests.

24 “(b) In designing and operating the System, the Direc-
25 tor shall—

1 “(1) design and operate an indexing system for
2 the System;

3 “(2) promulgate rules requiring the head of each
4 agency to prepare in a form specified by the Director,
5 and to submit to the Director for inclusion in the
6 System, a data profile for each information collection
7 request of such agency;

8 “(3) compare data profiles for proposed informa-
9 tion collection requests against existing profiles in the
10 System, and make available the results of such com-
11 parison to—

12 “(A) agency officials who are planning new
13 information collection activities; and

14 “(B) on request, members of the general
15 public; and

16 “(4) ensure that no actual data, except descriptive
17 data profiles necessary to identify duplicative data or
18 to locate information, are contained within the System.

19 **“§ 3512. Penalty for failure to furnish information**

20 “Notwithstanding any other provision of law, no person
21 shall be subject to any penalty for failing to provide informa-
22 tion to any agency if the information collection request in-
23 volved was made after December 31, 1981, in violation of
24 section 3507.

1 "§ 3513. Director review of agency activities; reporting;
2 agency response

3 "(a) The Director shall, with the advice and assistance
4 of the Administrator of General Services, review, at least
5 once every three years, by means of selective inspections, the
6 information management activities of each agency to ascer-
7 tain their adequacy and efficiency. In evaluating the adequa-
8 cy and efficiency of these activities, the Director shall pay
9 particular attention to whether the agency has complied with
10 section 3506.

11 ^a "(b) The Director shall report the ^{agency compliance with this} results of the inspec-
12 ^{Chapter} tions to the appropriate agency head, the House Committee
13 on Government Operations, the Senate Committee on Gov-
14 ernmental Affairs, the House and Senate Committees on Ap-
15 propriations, and committees of the Congress having jurisdic-
16 tion over legislation relating to the operations of the agency
17 involved.

18 ⁶ "(c) Each agency which receives a report pursuant to
19 subsection (b) shall, within sixty days thereafter, prepare and
20 submit to the Director, the House Committee on Govern-
21 ment Operations, the Senate Committee on Governmental
22 Affairs, the House and Senate Committees on Appropri-
23 ations, and the committees of the Congress having jurisdic-
24 tion over legislation relating to its operations, a written state-

1 ment describing any measures taken to alleviate or remove
2 any problems or deficiencies identified in such report.

3 **"§ 3514. Responsiveness to Congress**

4 “(a) The Director shall keep the Congress and its com-
5 mittees fully and currently informed of the major activities
6 under this chapter, and shall submit a report thereon to the
7 President of the Senate and the Speaker of the House of
8 Representatives annually and at such other times as may be
9 necessary for this purpose. The Director shall include in such
10 reports—

11 “(1) proposals for legislative changes needed to
12 improve Federal information management, including,
13 with respect to information collection, recommenda-
14 tions to ease the burden upon individuals and small
15 organizations;

16 “(2) a compilation of legislative impediments to
17 the collection of information which the Director con-
18 cludes that an agency needs but does not have author-
19 ity to collect;

20 “(3) an analysis by agency, and by such other
21 categories as he may deem useful, describing the com-
22 pliance burden of information collection requests of
23 agencies on persons outside the Federal Government,
24 as well as the costs to agencies;

1 “(4) a summary of accomplishments to reduce the
2 burden of complying with Federal information collec-
3 tion requests by such means as reducing the time, cost,
4 complexity, and incomprehensibility of Federal
5 paperwork;

6 “(5) a tabulation of areas of duplication in agency
7 information collection requests identified during the
8 preceding year and any designations of central collec-
9 tion agencies made to preclude the collection of dupli-
10 cate information;

11 “(6) a list of all violations of provisions of this
12 chapter and rules, regulations, guidelines, policies, and
13 procedures issued pursuant to this chapter; and

14 “(7) with respect to recommendations of the Com-
15 mission on Federal Paperwork—

16 “(A) the specific actions taken on each rec-
17 ommendation which has been completely imple-
18 mented;

19 “(B) the major actions still required to imple-
20 ment each remaining recommendation and the
21 target date for completing each such action;

22 “(C) a detailed assessment of the status of
23 and progress on each such action; and

24 “(D) an explanation of any delays and ac-
25 tions required to overcome these delays.

1 “(b) The preparation of these reports shall not increase
2 the burden on persons outside the Federal Government of
3 responding to mandatory requests for information.

4 **“§ 3515. Administrative powers**

5 “(a) Upon the request of the Director, each agency
6 (other than an independent regulatory agency) shall make its
7 services, personnel, and facilities available to the Director for
8 the performance of functions under this chapter.

9 “(b) Upon the request of the Director, each agency
10 shall, except when prohibited by law, furnish to the Director
11 and give him access to all information in its possession which
12 the Director may determine to be necessary for the perform-
13 ance of functions under this chapter.

14 **“§ 3516. Rules and regulations**

15 “The Director shall promulgate rules and regulations
16 necessary to exercise the authority provided by this chapter.

17 **“§ 3517. Consultation with other agencies and the public**

18 “In the development of information policies, rules, regu-
19 lations, procedures, and forms, the Director shall, from the
20 beginning of each initiative, consult with persons outside the
21 Federal Government and the agencies affected.

22 **“§ 3518. Effect on existing laws and regulations**

23 “The authority of an agency under any other law to
24 prescribe policies, rules, regulations, procedures, and forms

1 for Federal information activities is subject to the authority
2 conferred on the Director by this chapter.

3 "§ 3519. Access to information

4 "The Director and personnel in the Office of Federal
5 Information Policy shall furnish such information as the
6 Comptroller General may require for the discharge of his re-
7 sponsibilities. For this purpose, the Comptroller General or
8 his representatives shall have access to all books, documents,
9 papers, and records of that Office.

10 "§ 3520. Authorization of appropriations.

11 "There are hereby authorized to be appropriated to
12 carry out the provisions of this chapter, and for no other
13 purpose—

14 "(1) not to exceed \$8,000,000 for the fiscal year
15 ending September 30, 1981;

16 "(2) not to exceed \$8,500,000 for the fiscal year
17 ending September 30, 1982;

18 "(3) not to exceed \$9,000,000 for the fiscal year
19 ending September 30, 1983."

20 (b) The table of chapters of title 44, United States Code,
21 is amended by striking out

"35. Coordination of Federal Reporting Services."

22 and inserting in lieu thereof

"35. Coordination of Federal Information Policy."

1 (c)(1) Section 2904 of title 44, United States Code, is
2 amended by striking out paragraph (10) and inserting in lieu
3 thereof the following:

4 “(10) report to the appropriate oversight and ap-
5 propriations committees of the Congress and to the Di-
6 rector of the Office of Management and Budget an-
7 nually and at such other times as he deems desirable
8 (A) on the results of activities conducted pursuant to
9 paragraphs (1) through (9) of this section, (B) on evalu-
10 ations of responses by Federal agencies to any recom-
11 mendations resulting from inspections or studies con-
12 ducted under paragraphs (8) and (9) of this section, and
13 (C) on estimates of lost benefits or savings resulting
14 from the failure of agencies to implement such
15 recommendations.”.

16 (2) Section 2905 of title 44, United States Code, is
17 amended by redesignating the text thereof as subsection (a)
18 and by adding at the end of such section the following new
19 subsection:

20 “(b) The Administrator of General Services shall assist
21 the Administrator of the Office of Federal Information Policy
22 in conducting studies and developing standards relating to
23 record retention requirements imposed on the public and on
24 State and local governments by Federal agencies.”.

1 SEC. 3. (a) The President and the Director of the Office
2 of Management and Budget shall delegate to the Administra-
3 tor of the Office of Federal Information Policy all their func-
4 tions, authority, and responsibility under section 103 of the
5 Budget and Accounting Procedures Act of 1950 (31 U.S.C.
6 18b).

7 (b) The Director of the Office of Management and
8 Budget shall delegate to the Administrator of the Office of
9 Federal Information Policy all functions, authority, and re-
10 sponsibility of the Director under section 552a of title 5 and
11 under sections 110 and 111 of the Federal Property and Ad-
12 ministrative Services Act of 1949 (40 U.S.C. 757, 759).

13 SEC. 4. (a) Section 400A of the General Education Pro-
14 vision Act is amended by adding at the end thereof the fol-
15 lowing new subsection:

16 "(h) The authority provided and the responsibilities im-
17 posed by this section shall terminate on October 1, 1982."

18 (b) Section 201 of the Surface Mining Control and Rec-
19 lamation Act of 1977 (30 U.S.C. 1211) is amended by strik-
20 ing out subsection (e).

21 (c) Subsection (f) of section 708 of the Public Health
22 Service Act (42 U.S.C. 292h(f)) is repealed.

23 (d) Section 5315 of title 5, United States Code, is
24 amended by adding at the end thereof the following:

30

1 "Administrator, Office of Federal Information
2 Policy, Office of Management and Budget."

3 SEC. 5. This Act shall take effect on October 1, 1980.
Passed the House of Representatives March 24, 1980.

Attest: EDMUND L. HENSHAW, JR.,
Clerk.

By W. RAYMOND COLLEY,
Deputy Clerk.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 27, 1980

SPECIAL

MEMORANDUM TO: Jim Tozzi
Louis Kincannon
Karen Siegel - Justice

[Redacted]
Rick Irby/Cecilia Wirtz
Bernie Martin

FROM: Bob Carlsstrom

SUBJECT: S. 1411 (Chiles) - Paperwork Legislation

Below is the latest Senate staff version of exemptions to accommodate the interests of the Department of Justice and the intelligence community. The language would be included as a subsection in section 3518 -- "Effect on existing laws and regulations" as a statutory clarification to the exercise of OMB authorities regarding "collections of information" as defined in section 3502(2).

"(c) (1) Except as provided in paragraph (2), this chapter does not apply to the collection of information used in the course of conducting--

- (A) a Federal criminal investigation or administration of Federal criminal justice;
 - (B) civil actions to which the United States is a partner or an administrative action involving an agency against specific individuals or entities;
 - (C) information collection by compulsory process pursuant to the Antitrust Civil Process Act, P.L. 88-664, as amended (15 USC 1311 et. seq.); or
 - (D) intelligence activities as defined in section 4-206 of Executive Order 12036, issued January 24, 1978, or successor orders.
- (2) This chapter applies to general investigations, undertaken with reference to a category of individuals or entities, such as a class of licensees or an entire industry other than antitrust investigations to the extent provided in subparagraph (C) of paragraph (1)."

Changes have been made in the language as proposed by Senate staff; subparagraph "(A)" as proposed read "a Federal criminal investigation or the administration of Federal criminal justice system." The reference to "system" would make the exemption too broad and, as such, could include surveys done to improve management in a functional area of the criminal justice system or other basic information collection forms of a purely administrative nature. Consequently, the words "the" and "system" (underscored) were deleted. A second change substitutes "pursuant to the Antitrust Civil Process Act" in lieu of "in connection with Federal antitrust investigations" to avoid exempting FTC "line-of-business" surveys.

Please call me by Monday, June 30, with your views.

THANKS.

AIMS OF THE BILL: CIA SUPPORTS

- Reduce public's burden of unnecessary paperwork
 - ** CIA generates very little paperwork for the public to deal with
- Maximize usefulness of government information
 - ** CIA exists to maximize usefulness of Agency information to national security policy makers (not the public or nonsecure agencies)
- Rationalize use of computer technology
 - ** CIA automatic data processing and telecommunications represents state of the art and is well integrated with other secure agencies' ADP/T systems

INFORMATION COLLECTION REQUESTS: INTELLIGENCE EXCEPTION

- Agency internal information requests should not require OMB clearance, to assure that national security policymakers have the information they want when they want it
- Many intelligence sources would not provide information to CIA if they knew that the information request to them had to be published in The Federal Register, approved by OMB, "profiled" in The Federal Information Locator System, and that the information might be shared with nonsecure agencies and the public

OMB EXTERNAL AUDIT

- CIA Inspector General has direct access to his agency head enabling him to get quick action in correcting problems
- Outside (non-Agency) auditors would need sensitive compartmented clearances
- Special procedures would be needed to reduce great risk of disclosure accompanying outside audit

GENERAL ACCOUNTING OFFICE

- GAO should not be given access to information by the Paperwork Reduction Act which was denied by the GAO Act
- Preventing proliferation of access to sensitive intelligence is critical when national security depends on the ability of our intelligence apparatus to monitor foreign military and political activities with secrecy

INFORMATION COLLECTION REQUESTS

At page 3, beginning on line 25, after "purpose" insert "other than for purposes associated with law enforcement, litigation, or intelligence activities,".

OMB EXTERNAL AUDIT

At page 13, on line 11, substitute a semicolon for the comma and strike the remainder of clause (A).

At page 23, on line 3, strike all of subsection (a), redesignate subsections (b) and (c) as (a) and (b) respectively, and at page 23, on line 11, substitute "agency compliance with this chapter" for "the results of inspections".

GENERAL ACCOUNTING OFFICE

At page 27, on line 9, strike the period and insert "unless the information contained in such books, documents, papers, and records could be withheld from disclosure to the Comptroller General by an agency pursuant to the General Accounting Office Act of 1980.".

NOTE

H.R.6410

This note discusses the views of the Central Intelligence Agency on the Paperwork Reduction Act of 1980. The Bill, H.R. 6410, currently pending before the Senate Committee on Governmental Affairs, seeks to reduce the paperwork burden which the government imposes on the public, to maximize the usefulness of government information, and to rationalize government use of computer technology. The Central Intelligence Agency fully supports these legislative objectives. While it appears that the drafters of the legislation had no intention to affect intelligence activities adversely, the Bill as currently drafted would have a negative impact on the Central Intelligence Agency in the conduct of its foreign intelligence mission.

To reduce the public's paperwork burden, the Bill requires Office of Management and Budget (OMB) approval for every agency solicitation of information from ten or more persons. In so doing, the Bill directs OMB to approve only those information requests which OMB determines to be necessary and of practical utility in the conduct of an agency's mission. Accordingly, the Bill would require OMB approval before the Central Intelligence Agency could solicit the same information from ten or more intelligence sources or ten or more intelligence officers. Adding a layer of bureaucracy to the time-critical intelligence collection process would slow it considerably, an anomalous result with potentially dangerous consequences. The OMB clearance requirement would also have the adverse effect of removing decision making authority in intelligence collection from those who have the relevant expertise.

Even more troublesome, from the viewpoint of security of sensitive information, are those provisions of the Bill which contemplate: publication of notice of a proposed information collection request in the Federal Register; mandatory registration of information collection requests in the Federal Information Locator System (FILS), which may include "data profiles of major information holdings at agencies;" and the subsequent sharing of the information collected with other agencies and the public. Application of such provisions to the Central Intelligence Agency would be inconsistent with the long-standing determination of the President and the Congress to limit the proliferation of access to sensitive information concerning intelligence and counterintelligence programs and activities.

To correct similar problems, the Justice Department has proposed an amendment to the Bill's definition of "collection of information" (subsection 3502(2)) to exclude law enforcement, litigation, and foreign counterintelligence collection. The Central Intelligence Agency supports the Justice Department approach and suggests the following amendment to include foreign positive intelligence matters:

At page 3, beginning on line 25, after "purpose" insert "other than for purposes associated with law enforcement, litigation, or intelligence activities,".

The report accompanying H.R. 6410 should refer to Executive Order 12036, United States Intelligence Activities, 26 January 1978, which contains the current definition of intelligence in Section 4-206. This approach is preferable to defining intelligence within a Bill whose primary focus is other than the government's intelligence functions. This amendment would maintain the Central Intelligence Agency's ability to collect intelligence with efficiency and security, without generating any increase in government paperwork.

An additional difficulty arises from the authority given to OMB in §3505 (1)(A) of the Bill to assign responsibility for conducting single agency, multi-agency, or government-wide audits of major information systems. The OMB role in establishing government information policy should not extend to control of an agency's internal auditors nor to the use of one agency's auditors to investigate another agency. The Inspector General and internal auditors of each agency should audit agency compliance with OMB policy, given their greater familiarity with the agency and their ability to act quickly within the agency to correct problems. In the Central Intelligence Agency, the Bill's outside audit provision would result in special complications, owing to the need to clear outside auditors for access to sensitive classified information and to protect such information from the increased risks of disclosure accompanying the outside audit. To solve this problem, the Central Intelligence Agency supports the following amendments to the Bill, proposed by the Interagency Committee on Automatic Data Processing (ADP):

At page 13, on line 11, substitute a semicolon for the comma and strike the remainder of clause (A).

At page 23, on line 3, strike all of subsection (a), redesignate subsections (b) and (c) as (a) and (b) respectively, and at page 24, on line 1, substitute "agency compliance with this chapter" for "the results of inspections".

The Bill raises other "ADP" issues which have been thoroughly addressed in a March 1980 letter to OMB from the Chairman of the Interagency Committee on Automatic Data Processing. The CIA supports the amendments suggested therein.

A final difficulty with the Bill arises from the provision giving the Comptroller General access to all information to which the OMB office administering the Bill has access. The provision would conflict with limitations placed on the Comptroller General's authority by the recently passed General Accounting Office Act of 1980, P.L. 96-226. To correct this, the Central Intelligence Agency supports the following amendment proposed by the Justice Department:

At page 27, on line 9, strike the period and insert "unless the information contained in such books, documents, papers, and records could be withheld from disclosure to the Comptroller General by an agency pursuant to the General Accounting Office Act of 1980.".

.....
END NOTE

MAR 4 1980

Mr. John P. McNicholas
Acting Deputy Assistant for
Information Policy
New Executive Office Building
Room 9002
Washington, DC 20503

Dear Mr. McNicholas,

Attached are Interagency Committee for ADP comments on
House Resolution No. 6410.

Due to the short response time available by your office,
the full Interagency Committee did not have an opportunity to
respond. However, the Executive Board of IAC consisting of
representatives from HEW, HUD, DOD, DOE, Congress, Treasury,
and Agriculture did review HR 6410 and their coordinated
comments appear below.

IAC fully supports this effort to reduce paperwork in the
Federal Government. We note that the burden placed on the OMB
and the agencies to execute this Bill will be great, but with
proper planning and the effective use of ADP the burden will be
considerably alleviated. IAC/ADP will be pleased to lend
support where possible in this area.

We do have some major concerns with the sections of the
Bill that deal with ADP and Telecommunications. If these con-
cerns are accommodated then we can fully support all aspects of
the Bill. IAC supports the basic tenets of these sections in
having the OMB more involved in a policy and oversight role in

ILLEGIB

Enclosure 3

regard to the effective and efficient use of ADP by Federal agencies. We believe that determined pursuit of the objectives by OMB of this Bill could aid agencies in acquiring ADP faster, reduce the obsolescence problem, and lead to better planning and more effective use of this resource by agencies. In addition, the added emphasis on control of standards and their utility in obtaining competition as well as transportability of ADP systems is again fully supported by IAC.

We have three concerns with the details in implementing the sections of the Bill dealing with ADP and Telecommunications.

The first is the basic relationships between the OMB, GSA, and the agencies. The Bill can be interpreted as placing GSA in a control, directive, and review position essentially at the OMB level in addition to their normal procurement and acquisition responsibilities. To equip GSA to perform these roles would be an additional overhead in the Federal bureaucracy that would be a redundant one and contrary to the President's policy to reduce overhead in the Federal bureaucracy. More important, if our interpretation holds, is that conflict will arise between the agencies who have the ultimate responsibility for execution of programs and GSA which interfaces in one segment of the process. On occasion, conflict will exist between an agencies mission responsibility and GSA's procurement responsibility. The need is to establish a smooth supportive management flow from the definition of need, through the requirement determination, acquisition, implementation, and operation. OMB is properly placed to insure that flow and presently has the authority by the Brooks Bill to adjudicate differences between agencies and the GSA to ultimately decide the best course of action the Government should take. OMB, therefore, should remain separate, independent and above the agencies and GSA to properly execute its adjudication role. We recognize that OMB has not been active in this regard in the past, but House Resolution 6410 clearly directs and emphasizes execution by OMB. Specifically, GSA should not be a party to the responsibility to develop 5-year plans for the Government. This is clearly the agency's responsibility. GSA should, however, be the recipient of the agency plans and provide by requirements contracts or other means the capabilities to assist the agencies in execution of their plans. Further, GSA should not directly influence the budget process which is again properly constituted as an agency and OMB responsibility. OMB can and should receive input from GSA on agency actions pertaining to ADP and Telecommunications which may at OMB discretion influence the budget process.

Our second concern is with the possible interpretation of the review function detailed in House Resolution 6410. It may be construed that OMB will direct internal auditors and may use one agencies auditors to investigate another agency. Agency internal auditors and inspector generals are more independent than ever in our history and perform a needed function for senior management of an agency to investigate internal problems and take corrective action. The agency staff is much more familiar with potential internal problems, and agencies currently have the capability to investigate and correct problems before they get out of hand, do serious damage, or bring discredit to the Federal government. Direct control of internal audit functions by central agencies will take away or at a minimum dilute the capability of agency heads to correct their own problems.

Our third concern deals with the senior official responsible for execution of this Bill at the agency level. We agree with insuring that a senior official be designated at a high level to be responsible to assure the tenets of this Bill are executed, but disagree with the legal requirement for that same individual to necessarily be responsible for the acquisition and control of ADP and Telecommunications. This should be at the agencies discretion. Most organizations vest procurement authority in procurement and acquisition experts. To force the same individual to be responsible for all the myriad aspects of this Bill to include acquisition of ADP resources may disturb an effective management relationship within agencies that exists today.

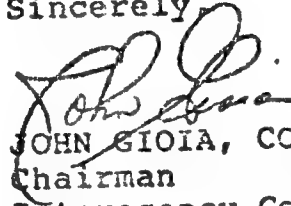
We believe the intent of the Bill as it pertains to ADP and Telecommunications; to have OMB responsible for policy pertaining to the requirement, acquisition, and use of the information technology resource and to be an active and forceful player in this regard is worthy. We also believe the Bill's intention for GSA to have a direct role in support of OMB's responsibility to be proper.

However, the specific wording of the Bill leads to different interpretations which is the cause of our concern. Proper rewording will correct these areas of concerns. Specific suggestions are attached.

The Interagency Committee on ADP appreciates the opportunity to be a participant and hopefully has provided constructive advice in supporting the desire of the Congress to

relieve the paperwork burden on the American public and to more effectively and efficiently use the vast ADP resource of the Federal Government.

Sincerely,



JOHN GIOIA, COLONEL, USAF
Chairman
Interagency Committee on
Automatic Data Processing
(IAC/ADP)

1 Attachment
Recommended Changes

(Reference Page 11, lines 18-24)

Paragraph (3) may be interpreted as authorizing GSA to determine the use of ADP and Telecommunications equipment by an agency and to directly influence the agencies budgets. This extraordinary authority to GSA appears contrary to the intent of the Brooks Bill, would confuse the decision-making process and may incumber the agencies ability to perform the assigned missions. ADP is but one element within the systems needed to satisfy the agencies missions, albeit an important one. On occasion, conflict will exist between an agencies mission responsibility and GSAs procurement responsibility. OMB must be the independent agency at the pinnacle of the bureaucracy that is authorized to determine trade offs necessary to accomplish the mission at the lowest cost in total perspective. It must also remain the constituted agency to adjudicate disputes between any agency and GSA and as such must be unincumbered to render the objective decisions determined to be in the overall best interest to the Government. However, GSA's role in supporting CMB is recognized and we believe the following changes will accomplish that role and yet not disrupt the proper decision-making process.

Change the word "coordinate" on line 18 to "consultation."
Place a period after the word "equipment", line 21 and delete the remainder of that paragraph. Insert a paragraph (4)
"Review agency proposals for acquisition and use of such equipment. GSA upon the request of the director will provide agency data pertaining to acquisitions of such equipment."

(Reference Page 12, lines 5-10)

By exact interpretation the burden this paragraph would place on OMB and the agencies would be overwhelming. For example, an agency reorganizing one of their data processing installations to have the tape librarian also perform as a customer representative would require OMB review. We believe the word "procedures" in line 6 should be changed to policy.

(Reference Page 13, lines 8-12)

This may be interpreted as having OMB direct an agency's auditors and further authorizing assigning one agency's auditors to inspect another agency. The internal audit function is critically important to the agency head for independent reviews to surface and correct problems before they become significant. Mitigating the ability of the agency head to assign auditors at his/her discretion will lead to a degradation of the agency's audit capability. The long term results could be disastrous. The authority to require audits as stated on line 8 coupled with the use of the GAO should be sufficient audit

control. Suggest replacing the comma after the word "systems" with a period on line 8 and deleting the remainder of the paragraph.

(Reference Page 13, lines 24-25; Page 14, lines 1-2)

This section requiring the OMB and GSA to develop a 5-year plan may be interpreted as an independent action on the part of OMB and GSA. We believe the intent was to provide a plan to support agency's needs over the 5-year period. Suggest replacing the phrase "in consultation with the Administrator of General Services" with "based on an Agency's plans."

(Reference Page 16, lines 12-17)

This section places the burden for acquisition of ADP and Telecommunications on the senior official designated to carry out the primary responsibilities of the Bill. Combining the functions of procurement with oversight management will be disruptive to many existing organizational structures and management processes. The individual designated in subsection (b) has sufficient management authority and leverage to insure compliance with the Bill's intent by the implied responsibilities under subsection (c)(1), (2), and (3). Suggest deleting paragraph (4), lines 12-17 page 16, and add "acquisition, procurement," after the word "directing" on line 2, page 16.

(Reference Page 18, lines 21-23)

The term "program" has many definitions spanning the spectrum from a specific acquisition to the agencies prime mission. It is safe to say that no senior manager is independent of some agency program depending on the definition used. We question whether the restriction of "independence from any program responsibility" is necessary to insure the senior official objectively executes the duties assigned to him in this Bill. Suggest deleting the words on line 22 starting with "has" through the word "responsibility" on line 23. As an alternative, recommend defining the term "program" in §3502, Definitions.

(Reference Page 23, lines 16-17)

Agencies have the inherent responsibility to conduct internal investigations to evaluate compliance with the law. The results of these reviews could be made available to OMB, if required. OMB has been granted sufficient direction and leverage by Section 3504(b) to investigate an agency's compliance in a selective or periodic basis if required. Suggest deleting paragraph (a) and changing the (b) on line 24 to (a).

Delete the words "the results of the inspections" on lines 24 and 25 and substitute "agency compliance with this chapter."

As an alternative, we recommend deleting the use of GSA to assist the Director in selective inspections. As written GSA is in the position of evaluating their own influence on the system. This may be conceived by evaluators that the reviews were less than objectively conducted. In addition, the concern expressed above (first paragraph) in the relative relationship between OMB and GSA and the agencies holds here as well. Suggest deleting the words "with the advise and assistance of the Administrator of General Services."

INTERAGENCY COMMITTEE ON AUTOMATIC DATA PROCESSING

(IAC/ADP)

10:00 A.M. TUESDAY, MARCH 11, 1980
ROOM 1304, OFFICE OF PERSONNEL MANAGEMENT
1900 "E" STREET, N.W., WASHINGTON DC

A G E N D A

- | | |
|---|--|
| 1. ADMINISTRATIVE REPORT | COLONEL JOHN GIOIA
CHAIRMAN, IAC/ADP |
| 2. IAC CHARTER REVISION | MR DAVE ALBRIGHT, EXECUTIVE
BOARD, IAC/ADP |
| 3. DISCUSSION ON OMB
REORGANIZATION AND
HR 6410 | MR JIM TOZZI, ASSISTANT
DIRECTOR, OFFICE OF REGULATORY
& INFORMATION POLICY, OMB |

.
THE OFFICE OF MANAGEMENT AND BUDGET HAS RECENTLY
REORGANIZED. IT APPEARS THAT MORE EMPHASIS WILL BE PLACED
ON MANAGEMENT IN GENERAL, WITH PARTICULAR ATTENTION TO
REGULATORY CONTROL, REPORT GENERATION, INFORMATION POLICY
EMPHASIZING ADP, AND TELECOMMUNICATIONS.

IN ADDITION, THE HOUSE GOVERNMENT OPERATIONS COMMITTEE
IS SPONSORING A BILL (HR 6410), WHICH WOULD ESTABLISH AN OFFICE
OF FEDERAL INFORMATION POLICY (FIP) WITHIN OMB TO ADMINISTER
THE BILL.

THESE ACTIONS WILL HAVE SIGNIFICANT IMPACT ON THE WAY IN
WHICH ADP WILL BE MANAGED BY FEDERAL AGENCIES.

WE ARE VERY FORTUNATE TO HAVE MR JIM TOZZI, ASSISTANT
DIRECTOR, OFFICE OF REGULATORY & INFORMATION POLICY, OMB,
ADDRESS IAC ON 11 MARCH 1980 ON THESE TWO SUBJECTS.

Enclosure 1

IAC Charter - David Albright (HUD) presented two proposals to amend the IAC charter. One is to provide for sponsorship of the Federal Automatic Data Processing Users Group (FADPUT) and the other is to permit the Executive Board to designate Special Interest Groups. (These proposals were also presented at the February meeting of IAC and subsequently were mailed to IAC Principals.) Twenty-three voting members unanimously voted to accept the two proposals to amend the IAC charter.

Mr. Jim Tozzi, Assistant Director, Office of Regulatory and Information Policy, Office of Management and Budget (OMB), briefed the group on the reorganization of OMB and on H. R. 6410, a bill which would establish an Office of Information Policy within OMB.

Q. What is the possibility of a bill this session?

A. I would say there is a high probability you would get a bill this session. There are small groups that know the information policy aspect both in and outside of Washington.

Q. You commented that you would be issuing regulations. How will that affect what GSA does?

A. The authority vested in OMB by the bill is pretty broad. I am of the opinion that we are not going to throw out all the existing regulations. I think we will be looking for conflicts or big voids where action needs to be taken. We will first look to the central agencies (e.g., GSA, Commerce, etc.) to see if there is anyone who has jurisdiction. I do not see us issuing a large number of regulations at first until we check with the agencies.

Q. Which came first--the reorganization of OMB or the bill?

A. I cannot answer that explicitly. While the bill was being developed and the reorganization was being conceived, I was heading the Environmental Branch on the budget side at OMB. One day late in December I was invited to work in this area.

Mr. McNicholas (OMB) added that he had been involved a little longer than Mr. Tozzi and that it would be difficult to say which was the primary cause and which was the effect.

Q. Could you give us a little insight as to what has happened to the PRP project on ADP and what we can expect to come out of that?

A. The PRP project, as you know, has been completed and the recommendations have been before OMB for some time. While many of the recommendations have been implemented, some will not be acted upon. A few others I think will probably come to a head when we begin to implement H.R. 6410 because the main thrust of H.R. 6410 is to centralize policymaking and form a stronger executive branch management role. I know of no further action on that report.

Q. OMB has taken and combined regulatory policy, information policy, reports management, privacy, and the whole related activity, and combined them in one organizational element within the Office of Management and Budget. Do you see a cascading of OMB's management decision into the agencies?

A. In part, yes. But first of all, I do not see OMB mandating such cascading. Considering the complexity of the individual agencies, one could organize all the boxes together and end up creating a worse problem than one had previously. I do think the agencies will have problems in one or two directions. They will either tend to put the boxes together or they will make process changes in the agencies. In some agencies, the programmatic impact or relationship between regulations and information policy are very unconnected. Some agencies have no rule-making authority. A number of agencies issue a large number of regulations and I think the regulatory and the reports management aspects are going to come together either through a process change or an organizational change on their part, but not on our part. In the same areas. I think those agencies whose ADP activities have a strong telecommunications components will probably adopt a structural change or a process change but not mandated by OMB.

Q. You said you were going to study international questions--yet you talked about a desk officer or an organizational structure--are you going to have another staff to do those big questions?

A. The divisions in the Office of Regulatory and Information Policy have two roles. First, each division, like the Information Policy Division, has a number of agencies under it in which the desk officers have line examining responsibilities containing all three components--regulatory, reports, and ADP-telecommunications. In addition to that, each of the three divisions has a staff responsibility. In this role they are the main generators of Federal policy in one of the three areas--information policy, regulatory policy, or reports management. The Information Policy Division does have that other role. How many individuals will be assigned to the line desk officer role versus the staff policy function will have to be worked out. But there definitely will be some in each role.

Q. Could you expand on your comments about fewer auditors?

A. I said an option to have more auditors. As background, in the early environmental legislation in the seventies, there was a big issue of whether the Federal Government should have a huge enforcement strike force to enforce every environmental statute violated. It was determined that one could never control that many violations so as a result there is a police force external to the Federal Government that does the policing. In terms of regulations, we have several ways to look at the function of auditing the standards and guidelines. One most certainly is to have a direct audit function and staff in OMB but I do not see this in the works. Our total personnel level is looked at very closely by everyone. We have talked to Congress on this point. As an alternative when we issue a circular as a regulation, an aggrieved party, outside the Federal Government in the ADP area, could request an audit. Another option is that under the bill we have the authority to delegate certain functions to the agencies. I am not certain how we are going to do it. We also have the Inspector Generals that we might tap under the same bill. The bill just says that OMB shall oversee and implement a system--it does not say how OMB will necessarily do it.

Q. There is some concern in some of the agencies that desk officers, in other than John McNicholas' division, do not have that much of a background in ADP. The functions of ADP will have to be transferred over the next few months from people who were previously in Wally Haase's organization. I wonder if you see any problems with that and how you plan to train these people to handle that kind of a relationship?

A. You are correct that the people outside of John's area, with one or two exceptions, are not schooled in the ADP function. First of all, the agencies which will be reviewed directly by the Information Policy Division account for 60% of the Federal computer budget. They were put in there purposely because those agencies that are part of that division have large ADP budgets but have very few regulatory actions and a very limited amount of reports management. The big workload is in ADP so 60% of last year's budget remains under that division. The question is where did the other 40% go. The other 40% is spread among the other two divisions. Out of those other two divisions, the huge bucks are in two or three agencies--HEW, Treasury and DOE. In terms of naming an individual who reports to the agency head, we commented on that previously and we are completely aware of some of the problems.

Q. Will OMB be getting a staff increase?

A. In last year's appropriation, I have a 30% increase in staff. Of the \$8 million, \$3 million is for the Federal Information Locator System. (Mr. McNicholas added that the \$8 million figure came from the Committee, not OMB.)

Q. The bill says that OMB and GSA will get together and develop a five year plan. What are the specifics of that five year plan? Will there be hardware requirements?

A. Initially, I do not think the five year plan will differ too much in subject matter from the one we now have. The question is in the long run when we receive all of your views whether the complexion of that plan could change and in what ways. You could hold constant what gets in the plan generically and change the justifications. For example, I am interested in some of the justifications for ADP and telecommunications obligations in terms of what support these obligations will give to regulatory areas or reports management. That generally is not now in the support document of justifications for hardware. In some agencies that is a big problem because we could approve regulations and supporting reports clearances but when all of the resulting data comes into the agency the ADP managers will have no hardware to process it. In order to protect the ADP manager from that situation we could keep the basic contents of the plan constant but ask the agency to what extent these ADP requirements for hardware are being developed in coordination with plans for regulatory initiatives and new reporting requirements.

The other aspect on which I am not clear and which could change the programmatic justification is to what extent do we start putting in telecommunications and related activities.

Q. I think that even if you got the 120 people, I cannot understand how you could answer the question you mentioned came over your desk this morning regarding the potential worldwide military communications failure (WWMCCS). I do not see how an ADP group can get at these embedded systems,

A. I do not think an ADP group per se could and that is why we are reorganizing. I see the new office looking at a combination of regulatory and related programs and ADP as only a part of it.

Q. Have you come up with a definition for "information policy" that you are happy with?

A. No. It is not so much that I am not happy with it. The ones I have seen thus far have been so general that you could have the government looking at information policy and nothing else. Or they are so narrow that they obviously exclude some present-day concerns.

Q. It seems to me that the direction we are going in the information policy area is broad in terms of the components of it and is long-term in terms of looking into the future. I approve of that--but I also know that you have not too many people and that you have your operational activities to do first. I was wondering if you have had a chance to think about how you might implement it and how the rest of us might be involved?

A. I am very concerned on that issue and so is everyone on my staff. I think the people in the information policy business have to educate some of the top decision-makers. I do not think there is any way that OMB is going to make these policies and send them out for your review. A lot of this has to come from you. You will have to say, "Here are some areas that I think need to be fixed." With the exception of a very select number of big policy areas, I think that OMB is going to be the keeper of the process and the agencies will work with OMB. I have already met with three or four agencies and asked them for their list of top concerns.

Q. You have already said that you go through the budget process as a way to get things done. In the ADP area we go through a DPA (Delegation of Procurement Authority) process. You imply that you are possibly going to get in the regulatory and reports management as well. I guess all of those things are being demanded by Congress. Is somebody going to try to put these things together at one point and time rather than having agencies trying to get three different acquisition processes approved -- taking it home and finding that they have to go through another wicket somewhere down the line?

A. Right now agencies have three wickets -- getting money in the budget; moving through the procurement processes of GSA; and going to Congress for appropriations. First of all, there will be no expansion of these. The question is whether we modify the respective roles of the three players. I do not have any control over the last one (Congress). The question is "what is our role relevant to GSA and the Delegation of Procurement Authority?" I have had very considerable discussions with Dr. Freeman and Mr. Carr of GSA. My view is that this "wicket-control" procedure will continue but I cannot see OMB's usual role as becoming closely involved in specific procurements although Congress might want us to be. I do see that GSA and OMB will be working very closely on the procedures and guidelines used.